

# **FISCAL NOTE**

## **SB 434 - HB 739**

March 5, 2003

**SUMMARY OF BILL:** Amends the retirement law by allowing any retired teacher to return to employment as a full-time elected city official and receiving publicly funded compensation for an indefinite period of time while also receiving a public retirement benefit. The retired member would not be permitted to accrue additional retirement credit as a result of such re-employment.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$8,000 Annual Amortized Cost**

**Increase Local Govt. Expenditures\* - \$5,400 Annual Amortized Cost**

Estimate assumes:

- Up to five retired teachers taking advantage of the provisions of this bill.
- A lump sum liability of \$136,000 amortized over 20 years.
- Funding ratio between the state and local governments is 60% state and 40% local education agencies.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director